

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2007-341-C - ORDER NO. 2008-5  
JANUARY 14, 2008

IN RE: Application of Hotwire Communications, Ltd.	)	ORDER GRANTING
for a Certificate of Public Convenience and	)	CERTIFICATE AND
Necessity to Provide Resold and Facilities-	)	APPROVING FLEXIBLE
Based Local Exchange and Interexchange	)	AND MODIFIED
Telecommunications Services in the State of	)	ALTERNATIVE
South Carolina and for Flexible and	)	REGULATION
Alternative Regulation	)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Hotwire Communications, Ltd. (“Hotwire” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold and facilities-based local exchange and interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2006) and the rules and regulations of the Commission. By its Application, Hotwire also requests flexible regulation of its local exchange service offerings pursuant to Order No. 98-165 in Docket No. 1997-467-C, alternative regulation of its business interexchange services consistent with Commission Orders, and waiver of certain Commission regulations.

The Commission’s Docketing Department instructed Hotwire to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested

parties of the Application of Hotwire and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Hotwire complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by the South Carolina Telephone Coalition (“SCTC”). Subsequent to the intervention, Hotwire and SCTC reached a Stipulation, attached hereto as Order Exhibit 1.

Subsequently, Hotwire and ORS filed a Settlement Agreement attached hereto as Order Exhibit 2. A hearing was convened on December 10, 2007, at 10:00 a.m. in the offices of the Commission in Columbia, South Carolina, before David Butler, Hearing Examiner. Hotwire was represented by John J. Pringle, Jr., Esquire. The Office of Regulatory Staff (“ORS”) was represented by Florence P. Belser, Esquire. The South Carolina Telephone Coalition did not appear at the hearing.

Matthew Holcombe, Vice President of Operations for the Company, adopted the prefiled written testimony of Adam B. Weinstein and testified in support of the Company’s Application. The record reveals that Hotwire is a limited partnership organized under the laws of the Commonwealth of Pennsylvania and that it is registered to transact business in South Carolina. According to Mr. Holcombe, the Company seeks authority as a facilities-based provider and reseller of local services and interexchange services. Mr. Holcombe explained the Company’s request for authority, and the record further reveals the Company’s services, operations, and marketing procedures. The Company intends to primarily offer services to residential customers, specifically to multi-dwelling unit buildings, condominium and homeowner associations, and student

housing. Mr. Holcombe also discussed Hotwire's technical, financial, and managerial resources to provide the services for which it seeks authority. Mr. Holcombe offered that Hotwire possesses sufficient financial resources to support its operations in South Carolina.

With regard to management and technical capabilities, the Company's Application and Mr. Holcombe's testimony both evidence that Hotwire's management has extensive experience in telecommunications, information technology, regulatory matters, and accounting and finance. Mr. Holcombe also testified that Hotwire will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders. Mr. Holcombe offered that approval of Hotwire's Application would serve the public interest.

Mr. Holcombe, on behalf of the Company, requests a waiver of 26 S.C. Code Ann. Regs. 103-610, since the Company's books are maintained in Pennsylvania. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). Hotwire maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP"). In addition, the Company requests that it not be required to publish local exchange directories and therefore requests waiver of 26 S.C. Code Ann. Regs. 103-631.

After consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Hotwire is organized as a limited partnership under the laws of the State of Pennsylvania, and is authorized to do business in South Carolina.

2. Hotwire desires to operate as a provider of facilities-based and resold local and interexchange services in South Carolina.

3. We find that Hotwire possesses the managerial experience and capability to operate as a provider, on a facilities-basis and through resale, of local services and interexchange services in South Carolina.

4. We find, based on the financial statements submitted by the Company and the testimony at the hearing, that Hotwire possesses sufficient financial resources to provide the services as described in its Application and testimony.

5. We find that the issuance of a Certificate of Public Convenience and Necessity to Hotwire to operate on a facilities basis and as a reseller of local exchange telecommunications and interexchange services in South Carolina would be in the best interest of the citizens of South Carolina by providing more innovative services.

6. Hotwire requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds Hotwire's requested waiver reasonable and understands the potential difficulty presented to Hotwire should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the USOA is reasonable. Additionally we find that a waiver of 26 S.C. Code Ann. Regs. 103-631 is reasonable and in the public interest.

7. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B) (1) (Supp. 2006).

8. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B) (3) (Supp. 2006).

9. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B) (4) (Supp. 2006).

10. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B) (2) (Supp. 2006).

11. The Commission finds that the provision of local exchange service by the Company "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280(B)(5) (Supp. 2006).

12. Following execution of a Stipulation with intervenor South Carolina Telephone Coalition ("SCTC"), the SCTC withdrew its opposition to the Application.

### **CONCLUSIONS OF LAW**

1. The Commission concludes that Hotwire possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that Hotwire will participate in the support of universally available telephone service at affordable rates to the extent that Hotwire may be required to do so by the Commission.

3. The Commission concludes that Hotwire will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of Hotwire's Application to provide intrastate telecommunications services within South Carolina will serve the public interest by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of telecommunications service by Hotwire will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate local exchange and interexchange telecommunications services as requested by Hotwire and as set forth in its Application and Mr. Holcombe's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to Hotwire to provide resold intrastate local exchange telecommunications services and intrastate interexchange telecommunications services.

8. The Commission adopts a rate design for Hotwire for its residential interexchange services which include maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re: Application*

*of GTE Sprint Communications Corporation, etc.*, Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

9. Hotwire shall not adjust its residential interexchange rates for end-users below the approved maximum level without notice to the Commission and to the public. Hotwire shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, etc.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp.2006).

10. The Commission concludes that Hotwire's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to

those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing.

If an investigation of a particular tariff filing is instituted within seven days of the filing date, the tariff filing will then be suspended until further Order of the Commission. If an investigation is instituted on a particular tariff filing, notice of the investigation will be provided to the person or entity making the tariff filing and to the Commission. The notice is timely if dated within seven days of the filing date.

11. The Commission concludes the Company’s local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for



the Company's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing. An investigation of the tariff filing may be instituted within 30 days of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. If an investigation is instituted on a particular tariff filing, notice of the investigation will be provided to the person or entity making the tariff filing and to the Commission. The notice is timely if dated within thirty days of the filing date. Further, any such tariff filings will be subject to the same monitoring process as similarly situated local exchange carriers.

12. We conclude that Hotwire's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would potentially cause undue hardship on that Company. We also grant exemption from the policies requiring the use of USOA. In addition, we grant waiver of 26 S.C. Code Ann. Regs. 103-631, which requires publication of a local telephone directory.

13. The Stipulation and Settlement Agreement between the various parties should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to Hotwire to provide intrastate interexchange services as a facilities-based carrier and through the resale of services authorized for resale by tariffs of carriers approved by the Commission, as well as to provide facilities-based and resold local exchange

telecommunications services within the State of South Carolina.

2. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. If it has not already done so by the date of issuance of this Order, Hotwire shall file its revised tariff, if any, and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations, as well as the provisions of the Hotwire-ORS Settlement Agreement.

4. The Company's service is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. Hotwire shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Hotwire changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, Hotwire shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to

the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Hotwire shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. Hotwire shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Hotwire shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at the ORS's website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1<sup>st</sup>**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31<sup>st</sup>** of each year. The proper form for filing gross receipts information can be found at the ORS website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov), and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which may be found on the ORS's website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). This worksheet provides ORS information required to determine each telecommunications company's

liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **July 1<sup>st</sup>** with the Commission and ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests, and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Hotwire shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at [www.psc.sc.gov/forms.asp](http://www.psc.sc.gov/forms.asp); this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. Hotwire requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2006), which requires that records required by the Commission’s Rules and Regulations be maintained in South Carolina. The Commission finds Hotwire’s requested waiver reasonable and understands the potential difficulty presented to Hotwire should the waiver not be granted. The Commission therefore grants the requested waiver. However, Hotwire shall make available its books and records at all reasonable times upon request

by the Office of Regulatory Staff, and Hotwire shall promptly notify the Commission and ORS if the location of its books and records changes.

12. Hotwire also requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts. The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier, Hotwire maintains its book of accounts in accordance with Generally Accepted Accounting Principles. GAAP is used extensively by interexchange carriers and other competitive telecommunications carriers. Accordingly, Hotwire requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above.

13. Should Hotwire offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated regarding "Public Safety Communications Centers," Hotwire is required to comply with that Title and Chapter, which is more commonly known as a "911" system or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Hotwire to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating, should it provide any service that would implicate the Title and Chapter stated above. Contact with the appropriate 911 service authorities is to be made before beginning such local telephone service in South Carolina. Accompanying this Order is a

memorandum from the State 911 Office of the Office of Research & Statistics of the South Carolina Budget and Control Board. This memorandum provides information about contacting County 911 Coordinators. By this Order and prior to providing local telephone services in South Carolina, Hotwire shall contact the 911 coordinator in each county (and city where the city has its own 911 system) and shall provide information regarding the Company's operations as required by the 911 system.

14. The Stipulation and Settlement Agreement between the various parties are hereby approved.

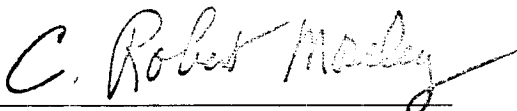
15. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

Docket No. 2007-341-C

Re: Application of Hotwire Communications, Ltd., for a )  
Certificate of Public Convenience and Necessity to )  
Provide Resold and Facilities-based Local Exchange )  
and Interexchange Telecommunications Services in )  
the State of South Carolina )

**STIPULATION**

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COMMISSION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Hotwire Communications, Ltd. ("Hotwire") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Hotwire's Application. SCTC and Hotwire stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Hotwire, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. Hotwire stipulates and agrees that any Certificate which may be granted will authorize Hotwire to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. Hotwire stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.
4. Hotwire stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and

until Hotwire provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Hotwire acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Hotwire stipulates and agrees that, if Hotwire gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Hotwire will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Hotwire acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Hotwire, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.



8. Hotwire agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

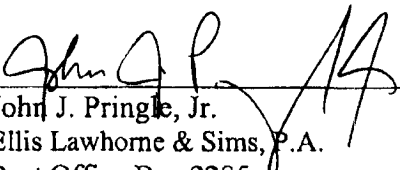
9. Hotwire hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

10. Notwithstanding any provision contained herein, the terms, conditions and limitations of the Stipulation apply only in those instances where a rural telephone company's federal rural exemption under 47 U.S.C. § 251(f)(1) is implicated.

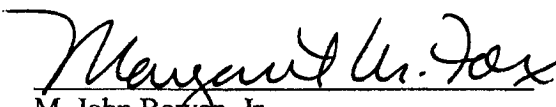
AGREED AND STIPULATED to this 5th day of November, 2007.

Hotwire Communications, Ltd.

South Carolina Telephone Coalition:

  
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Attorneys for the South Carolina Telephone Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies  
for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.

Chesnee Telephone Company

Chester Telephone Company

Farmers Telephone Cooperative, Inc.

Ft. Mill Telephone Company

Home Telephone Company, Inc.

Lancaster Telephone Company

Lockhart Telephone Company

McClellanville Telephone Company

Norway Telephone Company

Palmetto Rural Telephone Cooperative, Inc.

Piedmont Rural Telephone Cooperative, Inc.

Pond Branch Telephone Company

Ridgeway Telephone Company

Rock Hill Telephone Company

Sandhill Telephone Cooperative, Inc.

St. Stephen Telephone Company

West Carolina Rural Telephone Cooperative, Inc.

Williston Telephone Company

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2007-341-C**

<b>In Re:</b>	)	
<b>Application of Hotwire Communications,</b>	)	
<b>Ltd. for a Certificate of Public</b>	)	
<b>Convenience and Necessity to Provide</b>	)	<b>SETTLEMENT AGREEMENT</b>
<b>Resold and Facilities-Based Local</b>	)	
<b>Exchange and Interexchange</b>	)	
<b>Telecommunications Services in the</b>	)	
<b>State of South Carolina and for Flexible</b>	)	
<b>and Alternative Regulation</b>	)	

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Hotwire Communications, Ltd. ("Hotwire" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on September 18, 2007, Hotwire filed its Application requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing Hotwire to provide resold and facilities-based local exchange and interexchange telecommunications services within South Carolina; (ii) alternative regulation of its interexchange business service offerings consistent with Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) flexible regulation for its local exchange telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C; (iv) waiver of certain regulations of the Public Service Commission of South Carolina ("Commission"), specifically Regulations 103-610 regarding location of records and 103-631 concerning publishing and distributing local exchange directories; and (v) a waiver of any

requirement to maintain financial records in conformance with the Uniform System of Accounts (“USOA”);

WHEREAS on September 26, 2007, the Commission issued a Notice of Filing and Hearing and established a return date of October 29, 2007, for the filing of letters of protest or petitions to intervene and established a hearing date of December 10, 2007 for the application to be heard before a hearing examiner;

WHEREAS, on October 4, 2007, counsel for ORS entered a Notice of Appearance in this matter;

WHEREAS, on October 5, 2007, the South Carolina Telephone Coalition (“SCTC”) filed a Petition to Intervene in this docket;

WHEREAS, on October 10, 2007, the Commission issued its Order No. 2007-720 by which the Commission appointed F. David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, on October 26, 2007, Hotwire pre-filed the direct testimony of Adam B. Weinstein with the Commission;

WHEREAS, on November 5, 2007, the SCTC filed with the Commission a Stipulation between the SCTC and Hotwire;

WHEREAS, the purpose of this proceeding is to review the application filed by Hotwire and its requests (i) for a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange business service offerings consistent with Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) for flexible regulation for its local exchange

telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C; (iv) for waiver of certain of the Commission Regulations, specifically Regulations 103-610 regarding location of records and 103-631 concerning publishing and distributing local exchange directories; and (v) for waiver of any requirement to maintain financial records in conformance with the USOA;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of Hotwire to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by the Hotwire, and ORS has calculated certain performance ratios based upon information provided by the Hotwire;

WHEREAS, ORS has investigated the services to be offered by Hotwire and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by Hotwire;

WHEREAS, ORS has reviewed the prefiled testimony of Adam B. Weinstein;

WHEREAS, as a result of its investigations, ORS has determined (a) Hotwire intends to offer facilities-based and resold local exchange and interexchange in South Carolina with such offering of services primarily to residential customers and in particular offering full-feature communication services to multi-dwelling unit buildings, condominium and homeowner associations and student housing; (b) the officers of Hotwire possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, Hotwire appears to have access to sufficient financial resources and backing necessary to provide the services proposed in its application; (d)

Hotwire's proposed tariffs with the amendments as agreed to in this Settlement Agreement comply with Commission statutes and regulations; (e) the services provided by Hotwire will meet the service standards required by the Commission; (f) the provision of services by Hotwire will not adversely impact the availability of affordable telecommunications services; (g) to the extent it is required to do so by the Commission, Hotwire will participate in the support of universally available telephone service at affordable rates; and (h) the provision of interexchange services by Hotwire will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Parties agree that Hotwire's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;
- 2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of Hotwire's witness Adam B. Weinstein as adopted at the hearing by Matthew Holcombe without cross-examination by ORS;
- 3) Hotwire has submitted financial data, which was provided as Exhibit 4 to Hotwire's Application and which was granted Protective Treatment by Commission Hearing Examiner Directive dated October 12, 2007 and which financial data is incorporated by reference;

4) The Parties agree that Hotwire should be granted a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services within the state of South Carolina;

5) Hotwire has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2006) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing Hotwire to maintain its books and records outside of the State of South Carolina in exchange for Hotwire agreeing to provide access to its books and records. ORS is agreeable to Hotwire maintaining its books and records at its principal offices in the State of Pennsylvania, and Hotwire agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2006) or § 58-9-1070 (Supp. 2006). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

6) ORS does not oppose Hotwire's request for waiver of 26 S.C. Code Ann. Regs. 103-631 which requires the publication and distribution of directories, and Hotwire agrees make arrangements with publishers of local directories in South Carolina to include the names and

telephone numbers of Hotwire's subscribers and customers in local directories, unless a subscriber indicates his/her desire for an unpublished telephone number;

7) Hotwire has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). Hotwire acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2006) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. Hotwire agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses for compliance with programs such as but not limited to the South Carolina intrastate Universal Service Fund ("USF") and the Interim LEC Fund, dual party relay service fund, and gross receipts. Hotwire agrees to complete the reporting forms for such programs as but not limited to USF, dual party relay service fund, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

8) ORS does not oppose Hotwire's requests (a) for flexible regulation for its local telecommunications service offerings consistent with Order No. 98-165 in Docket No. 97-467-C, such flexible regulation including specifically (i) adoption of a competitive rate structure incorporating maximum rate levels with the flexibility for rate adjustment below the maximum rate levels and (ii) presumptively valid tariff filings upon filing subject to an investigation of such tariff filing being instituted within thirty (30) days and (b) for alternative regulation of its



interexchange business service offerings, which would include business services, consumer card services, operator services, and private line service offerings, consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of business services in the same manner as the like services of AT&T Communications of the Southern States, Inc. are regulated, (ii) removal of the maximum rate tariff requirements for Hotwire's business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) grant Hotwire the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

9) Hotwire agrees to resell the services only of those local exchange providers or interexchange carriers authorized to do business in South Carolina by the Commission;

10) Hotwire agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

11) Hotwire agrees to file necessary financial information and other information with the Commission and ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, quality of service reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as Hotwire. The Parties agree that such reports shall be filed

pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission.

12) Hotwire agrees to maintain its books and records in a manner that would permit ORS to examine any of Hotwire's reports filed with the Commission and provided to ORS.

13) Hotwire agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

14) In the event that Hotwire offers prepaid calling card services in the future, Hotwire agrees that it shall post a surety bond in the amount of \$5,000 as required by the Commission;

15) In providing local and long distance services to end users, Hotwire agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, in marketing its local and long distance services to end users, Hotwire agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

16) Hotwire agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, Hotwire agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, Hotwire shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

17) To the extent necessary, Hotwire agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;

18) In providing its services in South Carolina, Hotwire agrees to comply with and operate in accordance with S.C. Code Ann. § 58-9-295 (Supp. 2006).

19) It is understood and agreed that Hotwire will not initially offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated regarding "Public Safety Communications Centers," but in the event that Hotwire in the future offers or provides a service to which Title 23, Chapter 47 of the South Carolina Code regarding "Public Safety Communications Centers," also known as 911 services, Hotwire agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," also known as 911 services." At that time, Hotwire agrees to contact the appropriate authorities regarding 911 services in the counties and cities where Hotwire will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding Hotwire's operations. Attached as Exhibit 1 to this Settlement Agreement is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;

20) Hotwire agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

21) Hotwire agrees to file a final revised tariff with both the ORS and the Commission and the revised tariff shall reflect and be in accordance with ORS' recommendations as set forth in the summary attached as Exhibit 2 to this Settlement Agreement.

22) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

23)     The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

24)     The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

25)     This Settlement Agreement shall be interpreted according to South Carolina law.

26)     The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement

Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

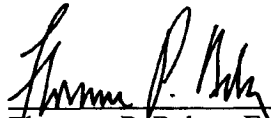
**[The remainder of this page intentionally left blank. Signature page follows as a separate page.]**

Docket No. 2007-341-C

Order No. 2008-5

January 14, 2008

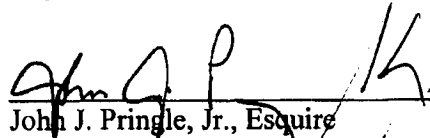
WE AGREE:

**Representing the Office of Regulatory Staff**

Florence P. Belser, Esquire  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, SC 29201  
Telephone: (803) 737-0853  
Fax: (803) 737-0895  
Email: [fbelser@regstaff.sc.gov](mailto:fbelser@regstaff.sc.gov)

12/3/2007  
Date

WE AGREE:

**Representing Hotwire Communications, Ltd.**

John J. Pringle, Jr., Esquire  
Ellis, Lawhorne & Sims, P.A.  
Post Office Box 2285  
Columbia, SC 29202-2285  
Telephone: (803) 343-1270  
Fax: (803) 799-8479  
[jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

12/03/07  
Date

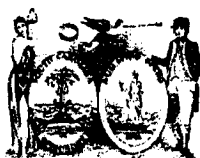
STATE OF SOUTH CAROLINA  
*State Budget and Control Board*  
 OFFICE OF RESEARCH & STATISTICS

**EXHIBIT 1**

MARK SANFORD, CHAIRMAN  
 GOVERNOR

GRADY L. PATTERSON, JR.  
 STATE TREASURER

RICHARD ECKSTROM  
 COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.  
 CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.  
 CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO  
 EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING  
 1000 ASSEMBLY STREET, SUITE 425  
 COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers  
 DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at [www.ors.state.sc.us/digital/E-911.ASP](http://www.ors.state.sc.us/digital/E-911.ASP). If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

ECONOMIC RESEARCH  
 WILLIAM GILLESPIE  
 (803) 734-3805

GEODETIC SURVEY  
 5 GEOLOGY ROAD  
 COLUMBIA, S.C. 29210  
 LEWIS LAPINE  
 (803) 896-7700

DIGITAL CARTOGRAPHY  
 (803) 734-3802

HEALTH & DEMOGRAPHICS  
 STATISTICS  
 1919 BLANDING STREET  
 COLUMBIA, S.C. 29201  
 WALTER F. BAILEY, M.P.H.  
 (803) 898-9941

EXHIBIT 2  
Exhibit to Settlement Agreement  
Between Hotwire Communications, Ltd and ORS  
Page 1 of 6

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**Hotwire Communications, Ltd. has agreed to incorporate the following changes in the tariffs filed with its application.**

**Hotwire Telecommunications Local Exchange Tariff (Tariff No. 2)**

**Page 1==include a phone number or email address along with the other information provided in the footer. The phone number should be included in all subsequent pages as well.**

**Page 5 D==modify language== “When a tariff filing is made with the Commission and the Office of Regulatory Staff, an updated....”**

**Section 1 Technical Terms and Abbreviations**

**Page 7==include within Terms== “ ‘ORS’ refers to the South Carolina Office of Regulatory Staff.”**

**Section 2 Rules and Regulations**

**Page 15 2.4.1.2==Include language relating to Publishing of a Directory or Contracting with a Directory pursuant to SC Reg. 103-631**

**Page 16 2.4.2.4==add language at end of paragraph== “The Company will notify the ORS and the Commission with at least thirty days notice in any change in the definition of the Company’s region.”**

**Page 17 2.5.2==remove language from paragraph== “...including attorneys’ fees.”  
==change seven (7) day notice to five (5) day notice  
==add the following language to end of paragraph== “Service will be terminated only on Monday through Thursday between the hours of 8:00am and 4:00pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg. 103-633)**

**Page 18 2.5.4==delete both paragraphs in its entirety.**

**Page 20 2.6.2==delete the first paragraph in its entirety, add the following substitute language== “For a new customer, a maximum deposit may be required up to an amount equal to an estimated two months total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two consecutive months within the preceding six months. The Company will not require a deposit without explaining in writing why that deposit is**



**EXHIBIT 2**  
Exhibit to Settlement Agreement  
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Page 2 of 6

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being required and under what conditions, if any, the deposit will be diminished upon return.” (SC Reg. 103-621.1)

**Page 21 2.6.4==modify language of first sentence==** “Interest shall be paid on deposits at a rate prescribed by the Commission. The interest on the deposit shall accrue annually.” (SC Reg. 103-621.3.B)

**Page 22 2.7.1==modify language of first sentence==** “In the event that Customer disputes any charges, Customer must submit a written or oral claim describing the disputed charge and amount of charge.”

**Page 22 2.7.2 ==add the address for the Office of Regulatory Staff in addition to phone numbers.**

Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, SC 29201

**Page 23 2.8.1 ==add the following language at end of paragraph==** “Records will be kept of Interruptions or Failures of Service which will include the date, time, duration, cause and steps taken to correct the problem. These records shall be made available to the ORS upon request.”

**Page 24 2.10==delete sentence in its entirety. Add substitute language==** “The returned check charge will conform to SC Code 34-11-70”.

**Page 25 2.12.1 ==delete the following phrase from the sentence in last paragraph==** “ but is not obligated to,”

**Page 25 2.12.1 ==add additional sentence at end of paragraph==** “The Company will only disconnect service without notice for situations that conform to SC Regulation 103-625, or as directed by law enforcement, a judicial body, or any government agency as directed by statute.”

**Page 26 2.12.2.1==add the following language at end of paragraph==** “Service will be terminated only on Monday through Thursday between the hours of 8:00am and 4:00pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg. 103-633)

**Page 27 2.12.2.1==add an “H” and include the following language==** “The company may disconnect service for any reason that conforms to SC Regulation 103-625.”

**Page 29 2.17 ==add language at end of paragraph==** “Any adjustment in billing due to Overcharging or Undercharging will conform to South Carolina Regulation 103-623.”

**EXHIBIT 2**  
Exhibit to Settlement Agreement  
Between Hotwire Communications, Ltd and ORS  
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**Page 31 3.1.1==add language at end of paragraph==** “If the Trial Services were made on a permanent basis, tariff revisions will be filed with the Commission and copies of the revisions will be sent to the ORS.”

**Section 3**

**Page 31 3.1.2==modify paragraph as follows==** “The Company will provide notification to the Commission and ORS of its intent to offer promotional services and rates. The Company may offer existing services on a promotional basis, which provides special rates, terms, or conditions of service. The Commission requires a letter of notification of promotional offerings which will be provided at least five days prior to implementing the promotion. Such letter of notification will be provided to the ORS as well.”

**Page 31 3.2.1 ==add at end of paragraph==** “All ICB’s will be made available to the ORS upon request.”

**Page 31 3.3.1 ==add at end of paragraph==** “All CPA’s will be made available to the ORS upon request.”

**Page 33 3.6.1==Business Customers are allowed one directly dialed Local Directory Assistance call per month. Are Residential Customers allowed the same?**

**Page 33 3.6.1==maximum and current rates should be included for Directory Assistance**

**Section 4**

**Page 34 4.1.1==maximum and current rates should be included in chargeable time.**

**Page 34 4.2.1==maximum rates are needed for Business Service. If the Company provides Residential Service, maximum and current rates as well as descriptions of services should be included.**

**Page 35 4.2.2==description of services should be included as well as maximum rates.**

**Hotwire Telecommunications InterExchange Tariff (Tariff No. 1)**

**Page 1==include a phone number or email address along with the other information provided in the footer. The phone number should be included in all subsequent pages as well.**

EXHIBIT 2  
Exhibit to Settlement Agreement  
Between Hotwire Communications, Ltd and ORS  
Page 4 of 6

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**Page 5 D==modify language==** “When a tariff filing is made with the Commission and the Office of Regulatory Staff, an updated....

**Section 1 Technical Terms and Abbreviations**

**Page 7==include within Terms==** “ ‘ORS’ refers to the South Carolina Office of Regulatory Staff.”

**Page 16 2.4.2.4==add language at end of paragraph==** “The Company will notify the ORS and the Commission with at least thirty days notice in any change in the definition of the Company’s region.”

**Page 17 2.5.2==remove language from paragraph==** “...including attorneys’ fees.”  
**==change seven (7) day notice to five (5) day notice**  
**==add the following language to end of paragraph==** “Service will be terminated only on Monday through Thursday between the hours of 8:00am and 4:00pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg. 103-633)

**Page 18 2.5.4==delete both paragraphs in its entirety.**

**Page 20 2.6.2==delete the first paragraph in its entirety, add the following substitute language==** “For a new customer, a maximum deposit may be required up to an amount equal to an estimated two months total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two consecutive months within the preceding six months. The Company will not require a deposit without explaining in writing why that deposit is being required and under what conditions, if any, the deposit will be diminished upon return.” (SC Reg. 103-621.1)

**Page 21 2.6.4==modify language of first sentence==** “Interest shall be paid on deposits at a rate prescribed by the Commission. The interest on the deposit shall accrue annually.” (SC Reg. 103-621.3.B)

**Page 22 2.7.2 ==add the address for the Office of Regulatory Staff in addition to phone numbers.**

Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, SC 29201

**Page 23 2.8.2 ==add the following language as a new paragraph==** “Records will be kept of Interruptions or Failures of Service which will include the date, time, duration, cause and steps taken to correct the problem. These records shall be made available to the ORS upon request.”

**EXHIBIT 2**  
Exhibit to Settlement Agreement  
Between Hotwire Communications, Ltd and ORS  
Page 5 of 6

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**Page 24 2.10==delete sentence in its entirety. Add substitute language==** “The returned check charge will conform to SC Code 34-11-70”.

**Page 25 2.12.1 ==add additional sentence at end of paragraph==** “The Company will only disconnect service without notice for situations that conform to SC Regulation 103-625, or as directed by law enforcement, a judicial body, or any government agency as directed by statute.”

**Page 25 2.12.1 ==delete the following phrase from the sentence in last paragraph==** “ but is not obligated to,”

**Page 26 2.12.2.1==add language the following language at end of paragraph==** “Service will be terminated only on Monday through Thursday between the hours of 8:00am and 4:00pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg. 103-633)

**Page 27 2.12.2.1==add an “H” and include the following language==** “The company may disconnect service for any reason that conforms to SC Regulation 103-625.”

**Page 29 2.17 ==add language at end of paragraph==** “Any adjustment in billing due to Overcharging or Undercharging will conform to South Carolina Regulation 103-623.”

**Page 30 3.1.1==add language at end of paragraph==** “If the Trial Services were made on a permanent basis, tariff revisions will be filed with the Commission and copies of the revisions will be sent to the ORS.”

**Page 30 3.1.2==modify paragraph as follows==** “The Company will provide notification to the Commission and ORS of its intent to offer promotional services and rates. The Company may offer existing services on a promotional basis, which provides special rates, terms, or conditions of service. The Commission requires a letter of notification of promotional offerings which will be provided at least five days prior to implementing the promotion. Such letter of notification will be provided to the ORS as well.”

**Page 30 3.2.1 ==add at end of paragraph==** “All ICB’s will be made available to the ORS upon request.”

**Page 30 3.3.1 ==add at end of paragraph==** “All CPA’s will be made available to the ORS upon request.”

**Section 4 Rates and Charges**

**Page 32 ==please add to, explain or modify the following points:**

- 1) If the "rate per minute" applies to Residential as well as Business Customers, you will need a maximum rate. Alternative Regulation requires maximum rates for all Residential Long Distance Services.**
- 2) Include descriptions of all services, both recurring and non-recurring in both tariffs.**
- 3) Include rates of all services, both recurring and non-recurring in both tariffs.**
- 4) Include maximum and current rates for all services, both recurring and non-recurring in local tariff and for residential services in long distance tariff.**